

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
)	
FTX TRADING LTD., <i>et al.</i> , ¹)	Case No. 22-11068 (JTD)
)	
Debtors.)	(Jointly Administered)
)	
)	<u>Objection Deadline: Oct. 5, 2023 at 4:00 p.m. (ET)</u> ²
)	<u>Hearing Date: Dec. 13, 2023 at 1:00 p.m. (ET)</u>

**SUPPLEMENT TO THE THIRD INTERIM FEE APPLICATION OF FTI
CONSULTING, INC., FINANCIAL ADVISOR TO THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS, FOR ALLOWANCE OF COMPENSATION FOR
SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD
MAY 1, 2023 THROUGH JULY 31, 2023**

Name of Applicant:	FTI Consulting, Inc.
Authorized to provide professional services to:	Official Committee of Unsecured Creditors
Date of Retention:	Order entered February 15, 2023, effective as of December 22, 2022 [Docket No. 730]
Period for which compensation and reimbursement are sought:	May 1, 2023, through July 31, 2023 (the "Application Period")
Amount of compensation sought as actual, reasonable, and necessary:	\$7,204,581.00
Amount of expense reimbursement sought as actual, reasonable, and necessary:	\$295,682.39

¹ The last four digits of FTX Trading Ltd.'s tax identification number are 3288. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at <https://cases.ra.kroll.com/FTX>.

² The objection deadline set forth herein is for all parties other than the Fee Examiner and the U.S. Trustee (each as defined in the Fee Examiner Order), whose objection deadline shall be governed by that certain *Order (I) Appointing Fee Examiner and (II) Establishing Procedures for Consideration of Requested Fee Compensation and Reimbursement of Expenses* [Docket No. 834] (the "Fee Examiner Order").

Rates are higher than those approved or disclosed at retention?	Yes ³
Compensation sought in this application already paid pursuant to a monthly compensation order but not yet allowed:	\$2,279,011.60
Expenses sought in this application already paid pursuant to a monthly compensation order but not yet allowed:	\$1,404.78
Number of professionals included in this application:	48
If applicable, number of professionals in this application not included in staffing plan approved by client:	N/A
If applicable, difference between fees budgeted and compensation sought for this period:	N/A
Number of professionals billing fewer than 15 hours to the case during this period:	7
This is an: ___ monthly <u> X </u> interim ___ final application.	

³ Please refer to the Supplemental Declaration of FTI Consulting filed at D.I. 1132 for more information.

COMPENSATION BY TIMEKEEPER

Professional	Position	Specialty	Billing Rate	Total Hours	Total Fees
Chesley, Rachel	Sr Managing Dir	Communications	\$ 1,075	9.3	\$ 9,997.50
Baldo, Diana	Sr Consultant	Communications	525	39.3	20,632.50
Jasser, Riley	Consultant	Communications	400	2.5	1,000.00
McNew, Steven	Sr Managing Dir	Cryptocurrency	1,200	56.5	67,800.00
Carter, Michael	Sr Managing Dir	Cryptocurrency	1,200	67.2	80,640.00
de Brignac, Jessica	Managing Dir	Cryptocurrency	910	151.8	138,138.00
Sheridan, Jeremy	Managing Dir	Cryptocurrency	910	18.2	16,562.00
Leonaitis, Isabelle	Sr Consultant	Cryptocurrency	595	103.0	61,285.00
Vazquez Ortiz, Fredrix	Sr Consultant	Cryptocurrency	595	39.5	23,502.50
Kamran, Kainat	Consultant	Cryptocurrency	440	141.7	62,348.00
Dack, Carter	Consultant	Cybersecurity	475	15.7	7,457.50
Busen, Michael	Sr Managing Dir	Data & Analytics	1,325	57.5	76,187.50
Garofalo, Michael	Senior Director	Data & Analytics	935	165.9	155,116.50
Jordan, Mason	Sr Consultant	Data & Analytics	635	294.1	186,753.50
Kimche, Livia	Consultant	Data & Analytics	475	87.4	41,515.00
Risler, Franck	Sr Managing Dir	Derivatives	1,725	385.6	665,160.00
Roussikh, Valeri	Managing Dir	Derivatives	1,300	305.1	396,630.00
Diodato, Michael	Managing Dir	Derivatives	1,210	455.7	551,397.00
Kubali, Volkan	Managing Dir	Derivatives	1,210	135.7	164,197.00
Watson, Ching	Managing Director	Derivatives	1,210	30.9	37,389.00
Majkowski, Stephanie	Senior Director	Derivatives	1,100	389.5	428,450.00
Guo, Xueying	Director	Derivatives	975	188.8	184,080.00
Langer, Cameron	Director	Derivatives	920	412.7	379,684.00
Mehan, Zachary	Managing Dir	Digital & Insights	875	0.4	350.00
Izen, Alex	Senior Director	Digital & Insights	750	4.0	3,000.00
Greenblatt, Matthew	Sr Managing Dir	Forensic Accounting	1,325	4.1	5,432.50
Baer, Laura	Senior Director	Forensic Accounting	975	63.3	61,717.50
Fiorillo, Julianna	Director	Forensic Accounting	835	186.3	155,560.50
Anastasiou, Anastis	Director	Forensic Accounting	785	249.2	195,622.00
Steven, Kira	Director	Forensic Accounting	835	234.5	195,807.50
Famiglietti, Tyler	Sr Consultant	Forensic Accounting	695	253.8	176,391.00
Marsella, Jenna	Sr Consultant	Forensic Accounting	635	256.7	163,004.50
Rothschild, Elijah	Consultant	Forensic Accounting	475	197.8	93,955.00
Reid, Matthew	Consultant	Forensic Accounting	475	453.3	215,317.50
Stillman, Beulah	Consultant	Forensic Accounting	475	337.2	160,170.00
Shaik, Ismail	Consultant	Forensic Accounting	475	264.4	125,590.00
Tantleff, Alan	Senior Managing Dir	Real Estate	1,250	14.3	17,875.00
Walden, Michael	Senior Director	Real Estate	800	41.6	33,280.00
Kang, Nicholas	Consultant	Real Estate	395	45.3	17,893.50
Simms, Steven	Sr Managing Dir	Restructuring	1,495	139.2	208,104.00
Diaz, Matthew	Sr Managing Dir	Restructuring	1,325	227.4	301,305.00
Joffe, Steven	Sr Managing Dir	Restructuring	1,325	21.4	28,355.00
Bromberg, Brian	Managing Dir	Restructuring	985	563.8	555,343.00
Gray, Michael	Sr Consultant	Restructuring	695	355.4	247,003.00
Dawson, Maxwell	Sr Consultant	Restructuring	635	413.4	262,509.00
Sveen, Andrew	Consultant	Restructuring	475	425.3	202,017.50
Hellmund-Mora, Marili	Manager	Restructuring	325	6.0	1,950.00
Feldman, Paul	Senior Director	Risk Management	955	22.1	21,105.50
GRAND TOTAL				8,333.8	\$ 7,204,581.00

COMPENSATION BY PROJECT CATEGORY

Task Code	Task Description	Total Hours	Total Fees
1	Current Operating Results & Events	28.3	\$ 33,644.50
2	Cash & Liquidity Analysis	326.9	250,801.50
5	Real Estate Issues	104.7	73,091.00
9	Analysis of Employee Comp Programs	1.9	1,206.50
10	Analysis of Tax Issues	53.9	52,941.50
11	Prepare for and Attend Court Hearings	3.5	3,711.50
12	Analysis of SOFAs & SOALs	12.3	11,620.50
13	Analysis of Other Miscellaneous Motions	28.3	27,137.00
14	Analysis of Claims/Liabilities Subject to Compromise	835.5	893,578.50
16	Analysis, Negotiate and Form of POR & DS	924.0	810,291.50
18	Potential Avoidance Actions & Litigation	3,362.7	2,278,019.00
21	General Meetings with UCC and UCC Counsel	135.8	182,165.00
24	Preparation of Fee Application	363.5	205,977.50
26	Cryptocurrency/Digital Assets Issues	1,890.8	2,118,191.00
27	Communications Planning & Execution	56.8	36,498.50
28	Cybersecurity Issues and Analysis	15.7	7,457.50
29	Exchange Restart	189.2	218,248.50
GRAND TOTAL		8,333.8	\$ 7,204,581.00

SUMMARY OF FEES

1. The total number of hours expended by FTI professionals and paraprofessionals⁴ in performing services for the Committee during the Application Period was 8,333.8 hours. Pursuant to the Retention Order, FTI is entitled to monthly compensation for its services provided to the Committee at its current hourly rates, plus reimbursement of necessary out of pocket expenses. The following paragraphs describe the primary services rendered by FTI during the Application Period.

Code 14 – Analysis of Claims / Liabilities Subject to Compromise (835.5 hours)

2. During the Application Period, FTI undertook a substantial process to value customers' claims in crypto derivatives as well as standard cryptocurrencies. Understanding the value of these holdings required complex pricing, volume, and market analysis, leveraging information on liquidation discounts and concentration of holdings to identify how certain classes of claims should be treated under the Plan as well as how these claims should be valued as of the Petition Date.

3. During the Application Period, FTI also collaborated closely with the Debtors on the development and release of the customer claims portal that will be used in connection with the customer bar date in September. This included reconciliation of SOAL claim information to other sources of customer information, which in many cases required the processing and analysis of millions of lines of data and even more individual data points.

Code 16 – Analysis, Negotiate and Form of POR & DS (924.0 hours)

4. During the Application Period, FTI was responsible for preparing a complex recovery model to understand the flow of value to different classes of creditors within the FTX estate under various hypothetical Plan structures. As the UCC approached Plan discussions with the Debtors, this analysis was critical to evaluating the financial impact of certain priority decisions,

⁴ Please refer to the *Supplement to the Second Interim Fee Application of FTI Consulting, Inc.* (D.I. 1653) for further detail on the roles and responsibilities of FTI's various professional segments.

consolidation scenarios, and asset & claim valuation methodologies. The FTI team also prepared multiple presentations for the UCC regarding this recovery analysis, allowing the Committee to make informed decisions about the Debtors' and UCC advisors' proposals to optimize creditor recoveries.

5. Furthermore, as the Debtors developed their own Plan structure, it became essential for the UCC to understand and evaluate the economic differences between the scenarios the UCC had previously contemplated and the Debtors' chosen structure. This reconciliation required multiple discussions with the Debtors' advisors to understand key points of their recovery model, Plan structure, and calculation methodology.

Code 18 – Potential Avoidance Actions and Litigation (3,362.7 hours)

6. During the Application Period, FTI continued its investigation into the potential causes of action against various parties. This included detailed review of related filings and documents, as well as analysis of thousands of documents produced by the Debtors as part of informal discovery requests. FTI prepared categorization, cleaning, and consolidation analyses of the documents provided by the Debtors to facilitate more efficient review and supplemented these documents with additional analysis of the social media accounts of certain key pre-petition personnel.

7. FTI analyzed the circumstances of transactions involving the Debtors' investments to determine whether any of these transfers may have been fraudulent, preferential, or otherwise subject to potential clawback.

8. FTI also worked with the Debtors' advisors on analysis of transfers made during the 90-day preference period. FTI performed forensic accounting, detailed asset tracing, and analysis of potential defenses and offsets to any preference actions the Debtors bring. In addition, FTI has conducted detailed analysis and review of certain proof of claim forms, and the supporting

diligence, that the Debtors have brought in adversary proceedings with respect to certain preference actions. In conjunction with analysis of distinct actions and counterparties, FTI began the process of developing global preference settlement procedures to be applied to customer withdrawals made during the 90 days prior to the Petition Date.

Code 21 – General Meetings with UCC and UCC Counsel (135.8 hours)

9. During the Application Period, FTI participated in meetings with the Committee and its advisors. In general, the entries in this task code correspond to weekly standing Committee and advisor calls. The agendas of these calls vary widely and are based on the latest case developments and deliverables. The Committee calls are FTI's primary means of communicating important presentations and findings to the Committee, and the Committee advisor calls are key for the advisors to prioritize, strategize, and coordinate work streams among professionals.

Code 26 – Cryptocurrency / Digital Assets Issues (1,890.8 hours)

10. During the Application Period, FTI performed extensive cryptocurrency asset tracing and wallet validation analysis. FTI leveraged both on-chain and off-chain assessments to ensure the accuracy of information regarding the Debtors' digital assets. Time in this task code also relates to the preparation of detailed presentations for the Committee regarding these issues as well as period updates to the state of the Debtors' portfolio of cryptocurrency assets.

11. FTI also reviewed investments in crypto-native companies and conducted ongoing reviews of the asset custody process, ensuring assets were swept efficiently. Additionally, FTI prepared analysis of digital assets and third-party exchange information for the Committee and worked with the Debtors to understand the token detail in reports received as a supplement to the Debtors' presentations. FTI led discussions with the Committee and its advisors on specific digital asset risks and monetization options.

12. During the Application Period, FTI also prepared recovery analyses to certain asset values that would be realized if the Debtors were to monetize their holdings in certain tokens.

13. Time in this task code during the Application Period also included the continued development of a coin management strategy. The coin management proposal included recommendations related to trading and hedging strategies, trade execution, reporting, and other considerations. The strategy for portfolio optimization focused on yield maximization and risk offloading through, among others, hedging strategies, derivatives, staking, trading, and insurance. The Committee, in connection with their advisors, remain in continued communications with the Debtors' professionals to prepare a comprehensive coin management framework.

SUMMARY OF EXPENSES

Expense Type	Amount
Electronic Subscriptions	\$ 3,254.99
Legal Expenses	290,971.90
Lodging	394.90
Transportation	224.43
Travel Expenses	558.00
Working Meals	278.17
GRAND TOTAL	\$ 295,682.39

VERIFICATION PURSUANT TO DEL. BANKR. L.R. 2016-2(g) AND 28 U.S.C. § 1746

I, Matthew Diaz, pursuant to 28 U.S.C. § 1746, to the best of my knowledge and belief, and after reasonable inquiry, declare as follows:

1. I am a Senior Managing Director with the consulting firm FTI Consulting, Inc., together with its wholly owned subsidiaries (“FTI”). FTI has rendered professional services to the Official Committee of Unsecured Creditors (the “Committee”) in these Chapter 11 cases.

2. I have read the foregoing statement of FTI for compensation and reimbursement of expenses (the “Fee Application”). To the best of my knowledge, information and belief formed upon the basis of my participation in this case, as well as after reasonable inquiry, the facts set forth in the foregoing Fee Application are true and correct and materially comply with the applicable orders, rules, guidelines, and requirements as set forth by the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, Del. Bankr. L.R. 2016-2, and the Executive Office for the United States Trustee.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct, to the best of my information, knowledge, and belief.

Executed on: September 15, 2023

FTI CONSULTING, INC.

By: /s/ Matthew Diaz
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Financial Advisors to the Official
Committee of Unsecured Creditors of FTX
Trading Ltd., *et al.*